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Calendar No. 619

100TH CONGRESS
2d Session

SENATE

REPORT
100-319

AUTHORIZING APPROPRIATIONS FOR THE FEDERAL ELECTION COMMISSION FOR FISCAL YEAR 1989

APRIL 21 (legislative day, APRIL 11), 1988.—Ordered to be printed

Mr. FORD, from the Committee on Rules and Administration, submitted the following

REPORT

[To accompany S. 2302]

The Committee on Rules and Administration, having considered an original bill (S. 2302) to authorize appropriations for the Federal Election Commission for fiscal year 1989, reports favorably thereon and recommends that the bill do pass.

PURPOSE OF THE BILL

The bill would authorize appropriations for the Federal Election Commission for the fiscal year ending September 30, 1989, in the amount of $15,433,000, an increase of 8.8% over the $14,174,000 authorized for fiscal 1988. This request includes funds for a major enhancement of the agency's computer capabilities at an estimated cost of one million dollars, which sum they will put in escrow and earmark for that purpose alone. Unused funds will be returned to the U.S. Treasury at the close of fiscal year 1989.

The Commission's original request for FY 1989 was for $15,930,000; the sum of $15,433,000 was agreed to after negotiations with the Office of Management and Budget. This downward revision of $497,000 was accomplished primarily by the agency absorbing roughly one-half of anticipated inflation costs in 1989 and half the personnel costs associated with an increase of six staff in the Office of General Counsel.

COMMITTEE HEARING

At a hearing on March 24, 1988, the committee received testimony on the fiscal year 1989 budget request.

S683-1

The committee noted that except for the estimated one time one million dollar cost for installation of an enhanced office automation system, the request for FY 1989 would be only 1.8% greater than the FY 1988 authorization. The Commission was willing to absorb other costs in order to arrive at a budget which provides for such a system, since they strongly believe it will, in the long run, improve productivity and contain labor costs.

A greatly increased workload is anticipated by the Commission in the 1988 election cycle. The 1988 election will be the first since enactment of the Federal Election Campaign Act in which an incumbent President is not running for re-election, so that the number of candidates is significantly higher. The FEC projects that 15 to 16 candidates will receive public funds in 1988, whereas only 11 qualified in 1984. The first payout of matching funds on January 4, 1988, totalled over $25 million, compared to less than $7 million in 1984.

In testimony before the committee, Commission witnesses pointed out that they expect to receive an extraordinary number of complaints and charges of irregularities during the 1988 Presidential election cycle. At present, the Office of General Counsel has three enforcement teams assigned to "matters under review". The FY 1989 request proposes to add six staff for a fourth team to handle the increasing workload in the area of enforcement.

The necessity for bringing the Commission up to a higher level of automation was discussed. It should, for example, be possible to feed computer tapes of reports from candidates into the Commission's system and have automatic feedback in case of errors or omissions. The committee suggested that the FEC look into more productive state-of-the-art techniques for its automation system.

Mention was made of the further decline in the percentage of taxpayers using the checkoff on their tax returns for financing Presidential campaigns. The use of public service advertising through the media was suggested as a way to remind the public of the need for participation in this system.

Committee Action

The committee met on April 19, 1988, with Senators Ford, Pell, Inouye, DeConcini, Moynihan, Adams, Stevens, McClure, Warner and Garn present. By unanimous vote, the committee ordered reported the accompanying original bill authorizing $15,433,000 for the FEC for fiscal year 1989.

Cost Estimate

In compliance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the estimate of costs of this measure prepared by the Congressional Budget Office pursuant to section 403 of the Congressional Budget Act, is as follows:

CONGRESSIONAL BUDGET OFFICE

COST ESTIMATE

April 19, 1988

1. BILL NUMBER: Not yet assigned.

2. BILL TITLE:

A bill to authorize appropriations for the Federal Election Commission for fiscal year 1989.

3. BILL STATUS:

As ordered reported by the Senate Committee on Rules and Administration, April 19, 1988.

4. BILL PURPOSE:

The bill authorizes the appropriation of $15.4 million to the Federal Election Commission for fiscal year 1989. The 1988 budget authority is currently $14.2 million, and the President has requested $15.4 million for 1989.

5. ESTIMATED COST TO THE FEDERAL GOVERNMENT:

(by fiscal year, in millions of dollars)

	1989	1990	1991	1992	1993
Authorization Level	15.4	---	---	---	---
Estimated Outlays	13.9	1.5	---	---	---

Including outlays from prior years' appropriations to date, total outlays in 1989 would be about $15.2 million, assuming appropriation of the authorized amount.

The costs of this bill fall within budget function 800.

Basis of Estimate:

This estimate assumes the amount authorized will be appropriated. The estimate of outlays is based on historical spending patterns.

6. ESTIMATED COST TO STATE AND LOCAL GOVERNMENTS: None.

7. ESTIMATE COMPARISON: None.

8. PREVIOUS CBO ESTIMATE: None.

9. ESTIMATE PREPARED BY: James Hearn (226-2860)

10. ESTIMATE APPROVED BY:

for James L. Blum
Assistant Director
for Budget Analysis

REGULATORY IMPACT EVALUATION

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

April 11, 1988

The Honorable Wendell H. Ford
Chairman
Committee on Rules and
Administration
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

This is in response to your letter of April 1 on behalf of the Committee, requesting information in connection with the Federal Election Commission's Fiscal Year 1989 authorization request. Enclosed are responses to four questions dealing with the regulatory impact of Commission activities.

Sincerely,

Thomas J. Josefiak
Chairman

Enclosures

1. Q. An estimate of the number of individuals and businesses to be regulated by the Commission, and a determination of the groups and classes of such individuals and businesses.

A. The Commission regulates seven categories of persons and political committees: Presidential candidates and committees; candidates and committees engaged in races for House and Senate seats; party-related committees; non-party related political committees; individuals or committees making independent expenditures; delegates and delegate committees; and persons making expenditures for communication costs. The table which follows indicates the number of filers in each category, the number of reports and statements filed by each, and the gross receipts and expenditures for the period covering calendar year 1987.

Summary of Disclosure Files

	Total Filers Existing in 1987	Filers Terminated as of 12/31/87	Continuing Filers as of 12/31/87	Number of Reports and Statements in 1987	Gross Receipts in 1987	Gross Expenditures in 1987
Presidential	**589**	**43**	**546**	**1,412**	**$121,244,398**	**$112,515,526**
Candidates	314	35	279			
Committees	275	8	267			
Senate	**861**	**126**	**735**	**1,146**	**$74,449,864**	**39,958,402**
Candidates	414	97	317			
Committees	447	29	418			
House	**3,804**	**559**	**3,245**	**4,823**	**$75,549,829**	**55,095,162**
Candidates	1,846	430	1,416			
Committees	1,958	129	1,829			
Party	**462**	**25**	**437**	**1,135**	**$204,645,231**	**$179,535,563**
Delegates	**64**	**0**	**NA**	**64**	**0**	**0**
Nonparty	**4,320**	**155**	**4,165**	**15,288**	**$165,405,911**	**$121,972,404**
Labor committees	382	18	364			
Corporate committees	1,835	60	1,775			
Membership, trade and other committees	2,103	77	2,026			
Communication cost filers	**170**	**NA**	**NA**	**181**	**NA**	**$20,939**
Independent expenditures by persons other than political committees	**78**	**NA**	**NA**	**112**	**NA**	**$963,641**

2. Q. The Commission's opinion as to the economic impact of such regulations on the individuals, consumers and business affected.

   A. The Act is so specific in its requirements that the major economic impact on affected individuals and organizations is directly imposed by the Act, not the implementing regulations.

3. Q. The Commission's opinion of the impact on the personal privacy of the individuals affected.

   A. Because a purpose of the Federal Election Campaign Act is to provide for the disclosure of contributions and expenditures made in campaigns for Federal office, there is obviously some impact on privacy. Congress felt that this slight impact on privacy was warranted in order to promote the policy of disclosure. Again, it is the Act, rather than implementing regulations, which produces this result.

4. Q. A determination of the amount of additional paperwork that will result from regulations to be promulgated by the Commission during Fiscal Year 1988. This determination may include, but need not be limited to, estimates of the amount of time and financial costs required of affected parties, showing whether the effects of the authorization request could be substantial, as well as reasonable estimates of the recordkeeping requirements that may be associated with the authorization.

   A. The following sets of regulations have become effective during FY 1988:

   -- Contributions to and Expenditures by Delegates to National Nominating Conventions

   -- Freedom of Information Reform Act Regulations

   Regulations that the Commission will probably promulgate during the remainder of FY 1988 or in FY 1989 include:

   -- Affiliation and Earmarking

   -- Bank Loans to Candidates and Political Committees

   -- Allocation Between Federal and Nonfederal Accounts

   As in the past, the Commission will place a high priority on the reduction of unnecessary paperwork. A major goal of the regulation projects mentioned above is to avoid imposing burdensome requirements upon those regulated by the Federal Election Campaign Act. (See attached memorandum regarding status of regulations projects.)

AGENDA DOCUMENT #87-117

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 9, 1987

MEMORANDUM

TO: The Commission

THROUGH: John C. Surina
Staff Director

FROM: Lawrence M. Noble
General Counsel

Susan E. Propper
Assistant General Counsel

SUBJECT: Status of Regulations Projects

This memorandum reflects the status of regulations projects currently ongoing as of December, 1987. It also indicates which projects have been completed since the last memorandum was circulated.

Completed Projects

1. **11 CFR Parts 106, 9001 et seq. and 9031 et seq. (Primary and General Election Public Financing)**

These regulations were transmitted to Congress on May 26, 1987 and became effective on August 18, 1987.

2. **11 CFR 110.14 (Delegate Selection)**

These regulations were transmitted to Congress on September 17, 1987, and became effective on November 20, 1987.

3. **11 CFR Part 4 (Freedom of Information Act)**

These regulations were published in final form on October 21, 1987 and became effective on November 20, 1987.

Ongoing Projects

1. 11 CFR Part 100 (Bank Loans to Candidates and Political Committees)

The Commission has received two sets of public comments on questions seeking to define when a bank loan is "made on a basis which assures repayment." We are now finalizing a document summarizing the Commission's past experience in this area, analyzing the comments, and presenting for Commission consideration a draft Notice of Proposed Rulemaking.

2. 11 CFR Parts 110 and 114 (Extensions of Credit and Debt Settlement)

This project is an expansion of the non-corporate creditor project, and will now include issues relevant to debt settlement with corporate and non-corporate creditors. We anticipate that the Commission will undertake a review of the current debt settlement procedures following completion of this project.

3. 11 CFR 110.3-110.6 (Affiliation and Earmarking)

We are completing a revised draft of the final rules based on the Commission's discussion at its August 6, 1987 meeting. When the Commission has approved the text of the final rules, we will prepare the Explanation and Justification for Commission consideration.

4. National Right to Work Committee-Petition for Rulemaking

This petition raises questions regarding the Commission's regulations at 11 CFR 114.3 and 114.4 in light of the Supreme Court's decision in FEC v. Massachusetts Citizens for Life, Inc., 107 S. Ct. 616 (1986) ("MCFL"). We have prepared a memorandum discussing the petition and MCFL. It also includes for Commission consideration a draft Advance Notice of Proposed Rulemaking that would seek comment on the broad scope of issues raised by MCFL. This document is scheduled for the open agenda of December 17, 1987.

5. 11 CFR 106.1 (Allocation Regulations)

In accordance with the Commission's direction on October 29, 1987, we are preparing a draft Notice of Inquiry to seek comments on methods of allocation between federal and non-federal accounts.

6. Miscellaneous Regulations Project

This project will address a number of problem areas that were not able to be incorporated into a larger regulations project. The first document, which we are now preparing, will be a draft Notice of Proposed Rulemaking to seek comments on three proposed changes in the regulations. Other projects of this nature will follow as time permits.

7. Ted Haley Congressional Committee - Petition for Rulemaking

The Commission recently received a petition for rulemaking seeking to revise the Commission's regulations on post-election receipts of funds. We will treat this petition in a routine fashion by preparing a draft Notice of Availability for Commission approval.

8. 11 CFR Part 111 (Compliance Procedures)

This project is intended as a review of the Commission's compliance procedures. We will finish working on a draft Notice of Proposed Rulemaking when other higher priority projects are closer to completion.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported by the Committee on Rules and Administration, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

SECTION 439c OF TITLE 2, UNITED STATES CODE

AUTHORIZATION OF APPROPRIATIONS

SEC. 439c. There are authorized to be appropriated to the Commission for the purpose of carrying out its functions under this Act, and under chapters 95 and 96 of title 26, not to exceed $5,000,000 for the fiscal year ending June 30, 1975. There are authorized to be appropriated to the Commission $6,000,000 for the fiscal year ending June 30, 1976, $1,500,000 for the period beginning July 1, 1976, and ending September 30, 1976, $6,000,000 for the fiscal year ending September 30, 1977, $7,811,500 for the fiscal year ending September 30, 1978, [and] $9,400,000 (of which not more than $400,000 are authorized to be appropriated for the national clearinghouse function described in section 438(a)(10) of this title) for the fiscal year ending September 30, 1981, *and $15,433,000 for the fiscal year ending September 30, 1989.*

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Calendar No. 620

100TH CONGRESS
2d Session

SENATE

REPORT
100-320

FACILITATING THE CONVENING OF A SILVER HAIRED CONGRESS

APRIL 21 (legislative day, APRIL 11), 1988.—Ordered to be printed

Mr. FORD, from the Committee on Rules and Administration, submitted the following

REPORT

[To accompany S. Con. Res. 88]

The Committee on Rules and Administration, having considered Senate Concurrent Resolution 88, a concurrent resolution to facilitate the convening of a Silver Haired Congress, reports favorably thereon with amendments thereto, and recommends that the resolution as amended be agreed to.

PURPOSE OF THE RESOLUTION

This concurrent resolution would facilitate the convening of a Silver Haired Congress in Washington, D.C., in 1989. The congress would be composed of senior citizen representatives from each State whose task would be to recommend solutions for the problems experienced by older Americans. The resolution directs the Speaker of the House of Representatives and the President pro tempore of the Senate to coordinate the convening of the Congress, and provides funding, in an amount not to exceed $300,000, from the contingent fund of the Senate.

COMMITTEE ACTION

The committee held a hearing on this resolution on March 24, 1988, and met again for markup on April 19, 1988, with Senators Ford, Pell, Inouye, DeConcini, Moynihan, Adams, Stevens, McClure, Warner and Garn present.

Two amendments to the resolution were adopted by the committee. The first substituted, in section 2 of the resolution, "Select Committee on Aging of the House of Representatives" and "Special

S683-2.

Committee on Aging of the Senate" for "Speaker of the House of Representatives" and "President pro tempore of the Senate." The second amendment struck completely Section 3, the funding provision.

By unanimous vote, the committee ordered reported the accompanying resolution as amended.

COST ESTIMATE

In compliance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the committee does not consider that enactment of Senate Concurrent Resolution 88 would entail any cost to the Government.

REGULATORY IMPACT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the committee does not consider that enactment of Senate Concurrent Resolution 88 would have any regulatory impact.

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